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**British Airways CEO forecasts turbulent times ahead**

*Hit hard by the rising oil prices and sluggishness in the U.S. Economy, the airlines industry is in store for mergers and bankruptcies. British Airways CEO has expressed these apprehensions.*

**/24-7PressRelease/** - LONDON, UK, May 24, 2008 - The air industry is bracing up itself to meet the challenges ahead in the coming year. Even the British airlines, despite garnering a 45 % increase in its yearly profits last week, has been forced to curtail costs and impose surcharges to counter the undoing affects of fastly rising oil prices.

"I suspect that many airlines out there that struggled when fuel was less than \$100 a barrel are not going to be able to take the required actions and we will see further failures," Willie Walsh observed at an 'investor presentation' ceremony in New York.

In a year the crude oil prices have soared to double to \$127 level, which has eaten away most of the profits of the airline industry. In addition to this the US economy is coming perilously close to a full fledged recession. In the last five months, 7 airlines have gone bankrupt. "Clearly, bankruptcy is an effective form of consolidation, as they (failed airlines) take their capacity out of the market," Walsh observed.

Two of these doomed airlines, Eos Airlines and MAXjet Airways Inc were British Airways' business rivals. They were providing 'business class only' flights on the New York-London route. But despite this easing up of the competition, The BA sources have indicated that transatlantic commerce is nose-diving due to the weak dollar and a slow down in the US economy.

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